

## **Senate Bill No. 459**

### **CHAPTER 437**

An act to amend Sections 44062.3 and 44125 of the Health and Safety Code, relating to vehicular air pollution.

[Approved by Governor September 30, 2013. Filed with  
Secretary of State September 30, 2013.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 459, Pavley. Vehicle retirement: low-income motor vehicle owners.

(1) Existing law establishes a motor vehicle inspection and maintenance program, referred to as a smog check program, developed, implemented, and administered by the Department of Consumer Affairs. The duty of enforcing and administering the program is vested in the Chief of the Bureau of Automotive Repair within the department.

This bill would require instead a motor vehicle to have been registered without substantial lapse, as determined by the department, in the state for at least 2 years prior to vehicle retirement and to have failed any type of smog check inspection lawfully performed in the state to qualify to receive a specified vehicle retirement payment. The bill would authorize, rather than require, the department to permit vehicle retirement for any motor vehicle that has been registered without substantial lapse in the state for at least 2 years prior to vehicle retirement and that fails any type of smog check inspection lawfully performed in the state.

(2) Existing law creates an enhanced fleet modernization program for the retirement of high polluting vehicles to be administered by the Bureau of Automotive Repair pursuant to guidelines adopted by the State Air Resources Board. Existing law requires the department to pay a person who retires his or her vehicle \$1,500 for a low-income motor vehicle owner, as defined, and \$1,000 for all other motor vehicle owners, and authorizes additional payments above these amounts based on consideration of specified criteria.

This bill would require the state board, in consultation with the bureau and no later than June 30, 2015, to update the guidelines for the enhanced fleet modernization program to include specified elements and to study and consider specified elements. The bill would make various findings and declarations. The bill, in addition, would establish compensation for replacement vehicles for low-income vehicle owners at not less than \$2,500, would make replacement an option for all motor vehicle owners, and would make this compensation available to an owner in addition to the compensation for a retired vehicle. The bill would prohibit this compensation for all other motor vehicle owners from exceeding the compensation for low-income motor vehicle owners. The bill would authorize instead an

increase in the compensation under these programs for either retired or replacement vehicles for only low-income motor vehicle owners as necessary to balance maximizing air quality benefits of the program while ensuring participation by low-income motor vehicle owners, as specified.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares that the State Air Resources Board should take all the steps necessary to improve the enhanced fleet modernization program (Article 11 (commencing with Section 44125) of Chapter 5 of Part 5 of Division 26 of the Health and Safety Code) to increase the benefits of the program for low-income California residents, as defined in Section 44062.1 of the Health and Safety Code, promote cleaner replacement vehicles, and enhance emissions reductions gained by the program.

SEC. 2. Section 44062.3 of the Health and Safety Code is amended to read:

44062.3. (a) The owner of a motor vehicle that has been registered without substantial lapse, as defined by the department, in the state for at least two years prior to vehicle retirement, and that has failed the most recent smog check inspection for that vehicle, may retire the vehicle from operation at a dismantler under contract with the bureau, at any time after learning of the smog check failure. The department shall pay a person who retires his or her vehicle under this section one thousand five hundred dollars (\$1,500) for a low-income motor vehicle owner, as defined in Section 44062.1, and one thousand dollars (\$1,000) for all other motor vehicle owners. The department may pay a motor vehicle owner more than these amounts based on factors, including, but not limited to, the age of the vehicle, the emission benefit of the vehicle's retirement, the emission impact of any replacement vehicle, and the location of the vehicle in an area of the state with the poorest air quality.

(b) The department may permit vehicle retirement pursuant to subdivision (a) for any motor vehicle that has been registered without substantial lapse, as defined by the department, in the state for at least two years prior to vehicle retirement, and that fails any type of smog check inspection lawfully performed in the state.

SEC. 3. Section 44125 of the Health and Safety Code is amended to read:

44125. (a) No later than July 1, 2009, the state board, in consultation with the bureau, shall adopt a program to commence on January 1, 2010, that allows for the voluntary retirement of passenger vehicles and light-duty and medium-duty trucks that are high polluters. The program shall be administered by the bureau pursuant to guidelines adopted by the state board.

(b) No later than June 30, 2015, the state board, in consultation with the bureau, shall update the program established pursuant to subdivision (a).

The program shall continue to be administered by the bureau pursuant to guidelines updated and adopted by the state board.

(c) The guidelines shall ensure all of the following:

(1) Vehicles retired pursuant to the program are permanently removed from operation and retired at a dismantler under contract with the bureau.

(2) Districts retain their authority to administer vehicle retirement programs otherwise authorized under law.

(3) The program is available for high polluting passenger vehicles and light-duty and medium-duty trucks that have been continuously registered in California for two years prior to acceptance into the program or otherwise proven to have been driven primarily in California for the last two years and have not been registered in another state or country in the last two years. The guidelines may require a vehicle to take, complete, or pass a smog check inspection.

(4) The program is focused where the greatest air quality impact can be identified.

(5) (A) Compensation for retired vehicles shall be at least one thousand five hundred dollars (\$1,500) for a low-income motor vehicle owner, as defined in Section 44062.1, and no more than one thousand dollars (\$1,000) for all other motor vehicle owners.

(B) Replacement may be an option for all motor vehicle owners and may be in addition to compensation for vehicles retired pursuant to subparagraph (A). For low-income motor vehicle owners, as defined in Section 44062.1, compensation shall be no less than two thousand five hundred dollars (\$2,500). Compensation for all other motor vehicle owners may not exceed compensation for low-income motor vehicle owners.

(C) Compensation for either retired or replacement vehicles for low-income motor vehicle owners may be increased as necessary to maximize the air quality benefits of the program while also ensuring participation by low-income motor vehicle owners, as defined in Section 44062.1. Increases in compensation amounts may be based on factors, including, but not limited to, the age of the retired or replaced vehicle, the emissions benefits of the retired or replaced vehicle, the emissions impact of any replacement vehicle, participation by low-income motor vehicle owners, as defined in Section 44062.1, and the location of the vehicle in an area of the state with the poorest air quality.

(6) Cost-effectiveness and impacts on disadvantaged and low-income populations are considered. Program eligibility may be limited on the basis of income to ensure the program adequately serves persons of low or moderate income.

(7) Provisions that coordinate the vehicle retirement and replacement components of the program with the vehicle retirement component of the bureau's Consumer Assistance Program, established pursuant to other provisions of this chapter, to ensure vehicle owners participate in the appropriate program to maximize emissions reductions.

(8) Streamlined administration to simplify participation while protecting the accountability of moneys spent.

(9) Specific steps to ensure the vehicle replacement component of the program is available in areas designated as federal extreme nonattainment.

(10) A requirement that vehicles eligible for retirement have sufficient remaining life. Demonstration of sufficient remaining life may include proof of current registration, passing a recent smog check inspection, or passing another test similar to a smog check inspection.

(d) When updating the guidelines to the program established pursuant to subdivision (a), the state board shall study and consider all the following elements:

(1) Methods of financial assistance other than vouchers.

(2) An option for automobile dealerships or other used car sellers to accept cars for retirement, provided the cars are dismantled consistent with the requirements of the program.

(3) An incentive structure with varied incentive amounts to maximize program participation and cost-effective emissions reductions.

(4) Increased emphasis on the replacement of high polluters with cleaner vehicles or the increased use of public transit that results in the increased utilization of the vehicle replacement component of the program.

(5) Increased emphasis on the reduction of greenhouse gas emissions through increased vehicle efficiency or transit use as a result of the program.

(6) Increased partnerships and outreach with community-based organizations.